

ATTACHMENT ONE

EXECUTIVE ORDER 2002-3

Establishing a Governor's Advisory Council on Aviation

WHEREAS, an efficient and reliable aviation system is a critical element of Arizona's overall transportation system and the vitality of our state's economy; and

WHEREAS, aviation's primary impact on Arizona's economy was \$15.1 billion in 1998 and supported over 167,000 jobs with a payroll of \$4.3 billion; and

WHEREAS, air travelers and tourists spent \$4.5 billion in Arizona in 1998, creating over 77,000 jobs in lodging, retailing and the service sector; and

WHEREAS, over the next 20 years the total number of passengers boarding commercial aircraft at Sky Harbor International and Tucson International is expected to increase by 79 percent.

WHEREAS, the total number of general aviation aircraft based in Arizona is expected to increase by more than 30 percent over the next 20 years; and

WHEREAS, the amount of cargo passing through Sky Harbor International and Tucson International and other major airport facilities throughout Arizona is expected to more than double over the next 20 years; and

WHEREAS, there is a lack of communication or coordination between state and local entities with federal agencies that regulate airspace and other aspects of aviation in our state; and

WHEREAS, there is a distinct need to improve coordination and the compatibility between land use planning and airport facilities;

NOW, THEREFORE, I, Jane Dee Hull, by virtue of the authority vested in me as Governor by the Arizona Constitution and the laws of the State, do hereby establish the **Governor's Advisory Council on Aviation** to serve the purpose of developing strategies for improving the efficiency of Arizona's aviation system, enhancing land use and aviation planning and improving the working relationship and communication between state and local aviation entities and the federal agencies that have the primary responsibility for regulating aviation in this state.

1. The members of the Task Force shall be appointed by the Governor and will serve at the pleasure of the Governor for up to two years.
 - a. The Task Force membership will include a chairperson to be named by the Governor.
 - b. The Task Force will include the Director of the Arizona Department of Transportation or designee and at least seven at-large members with expertise or experience in aviation. At-large members shall not advocate for or represent any special or corporate interest when performing their duties on the Advisory Council. The Advisory Council, during the course of its deliberations, should take testimony from all aviation interests including corporations, aviation businesses, military, special interest groups and the general public.

- c. The Governor may appoint representatives from other state, regional or federal agencies, such as the Federal Aviation Administration and the U.S. Department of Defense to serve as Ex-Officio members of the Advisory Council.
 - d. The Arizona Department of Transportation shall serve as staff to the Advisory Council.
- 2. The Advisory Council, in consultation with state, regional and local transportation entities, shall establish mechanisms or procedures for improving the communication, dialogue and working relations with federal agencies that have jurisdiction over aviation issues in Arizona.
 - 3. The Advisory Council shall work with the State Transportation Board and other appropriate aviation officials to establish a process for defining future aviation needs and a strategy for addressing these needs.
 - 4. The Advisory Council shall study and issue "consensus" findings and recommendations that specifically address the following issues:
 - a. Airspace utilization and airport capacity
 - b. Environmental issues
 - c. Land use compatibility
 - d. Connectivity to surface transportation
 - e. Facility utilization
 - f. Federal funding for aviation in Arizona
 - g. Other federal aviation programs
 - h. Criteria for evaluating aviation facilities and systems.
 - i. Future aviation needs assessments and funding strategies
 - 5. The Advisory Council shall issue a preliminary report on or before December 31, 2002 and a final report on or before December 31, 2003 to the Governor, the President of the Arizona State Senate and the Speaker of the Arizona House of Representatives.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

GOVERNOR

DONE at the Capitol in Phoenix on this Thirtieth Day of January Two Thousand Two and of the Independence of the United States of America the Two Hundred and Twenty-Sixth.

ATTEST:

SECRETARY OF STATE

2002 Arizona State Legislature Summary of Airport-Related Legislation

Summary of Legislation Impacting Ownership and Operation of Phoenix Sky Harbor International Airport

HB 2459 Sky Harbor; state ownership, operation mandates that the State of Arizona, under the Arizona Department of Transportation, assume ownership and operation of Phoenix Sky Harbor International Airport. The Director of ADOT would have the prerogative of contracting out operation of the Airport to a private vendor. The City has owned Sky Harbor since 1935 and built it into one of the leading airports in the country. Furthermore, customer surveys, polls, and community interaction all suggest that the public is satisfied with Sky Harbor. Should the State attempt to buy-out the Airport, it would cost anywhere from \$8 to \$10 billion or more. The bill was introduced by Representatives Steve May, Laura Knaperek, and co-sponsored by Representatives Wes Marsh and Gary Pierce. The bill awaits committee reference.

HCR 2024 Sky Harbor; state ownership, operation is virtually identical to HB 2459 except that it places ownership of Sky Harbor to a public vote. The bill was introduced by Representatives Steve May, Laura Knaperek, and co-sponsored by Representatives Wes Marsh and Gary Pierce. The bill awaits committee reference.

HB 2458 Sky Harbor; expansion oversight commission mandates that the State establish a Commission comprised of six members each from the Senate and House, and a member from the Governor's Office. The commission would oversee the expansion of Sky Harbor and such expansion's effect on air quality. This legislation appears to be an effort to have the State control what should be local decision-making. Further, while the legislation focuses on air quality, airports valley wide contribute less than 2% to the State's ozone problems. The bill was introduced by Representatives Steve May, Laura Knaperek, Wes Marsh, Carolyn Allen, Dean Cooley, and co-sponsored by Gary Pierce. The bill awaits committee reference.

HB 2460 Regional Airport Commission mandates that the State establish a regional airport commission consisting of three members each from the Senate and House, and three members with aviation experience appointed by the Senate, House and Governor. The commission would study potential sites for a regional airport taking into account air quality, noise levels, population growth, and flight patterns and recommend two sites by December 31, 2003. The commission would then apply to the U.S. government for approval for a regional airport. Establishment of such a Commission is premature, costly, and unnecessary. Sky Harbor, coupled with Williams Gateway Airport, have the

capacity to meet the valley's commercial air service needs for decades to come. The bill was introduced by Representatives Steve May, Laura Knaperek, Wes Marsh, Dean Cooley, and co-sponsored by Representatives Carolyn Allen and Gary Pierce. The bill is awaiting committee reference.

Sky Harbor Oversight Commission or Authority

In addition to the bills noted above, we anticipate a senate bill proposing the establishment of an oversight commission for Sky Harbor, and a house bill proposing the establishment of an airport authority for Sky Harbor.

Summary of Legislation Impacting Airports in General

HB 2281 Airspace Commission – Establishes an Arizona Airspace Commission to study flight-pattern and other airspace issues and requires the Commission to submit an annual report of its recommendations to legislative leadership and to the Federal Aviation Administration. The bill was introduced by Representative Wes Marsh and will be heard in the Military, Veteran Affairs and Aviation Committee in the House on Thursday, January 31, Hearing Room 5.

HB 2490 appropriation; community airport – This is lobbyist Mike Williams' bill for Lake Havasu City. As introduced, the bill appropriates \$2 million from the State Aviation Fund in FY 2002-2003 to ADOT as matching money to draw down federal grants for small community air service development and airport upgrades. Mike Williams spoke at AZAA's January 30 Legislative Affairs meeting, indicating that the bill will undergo substantial amending to reduce the appropriated amount, specifically name and describe the federal pilot program from which matching monies will be granted and ensure that money appropriated from the State Aviation Fund but not used remains the Fund for current and future projects. Prime Sponsors: Gullett, Allen, Binder, Clark, Gerard, Hamilton.

SB 1011 Airline Tax Deferral – This bill defers payment of flight property taxes (FPT) and corporate income taxes on companies in the air transportation business for two years. The deferral would be applied to income taxes payable from January 1, 2001 to December 31, 2002 and FPT payable in tax years 2002 and 2003. Taxes accrued during the deferral period would be due on February 1, 2004. This bill was heard in the Senate Finance Committee on January 14, but a vote was not taken. Its fate is still uncertain, as it has been held from proceeding in the process for the past two weeks. Sponsor: Bundgaard.

**Maricopa Association of Governments
Regional Aviation System Plan Update**

Public Meeting

Wednesday, April 3, 2002

5:00 p.m. - 7:00 p.m.

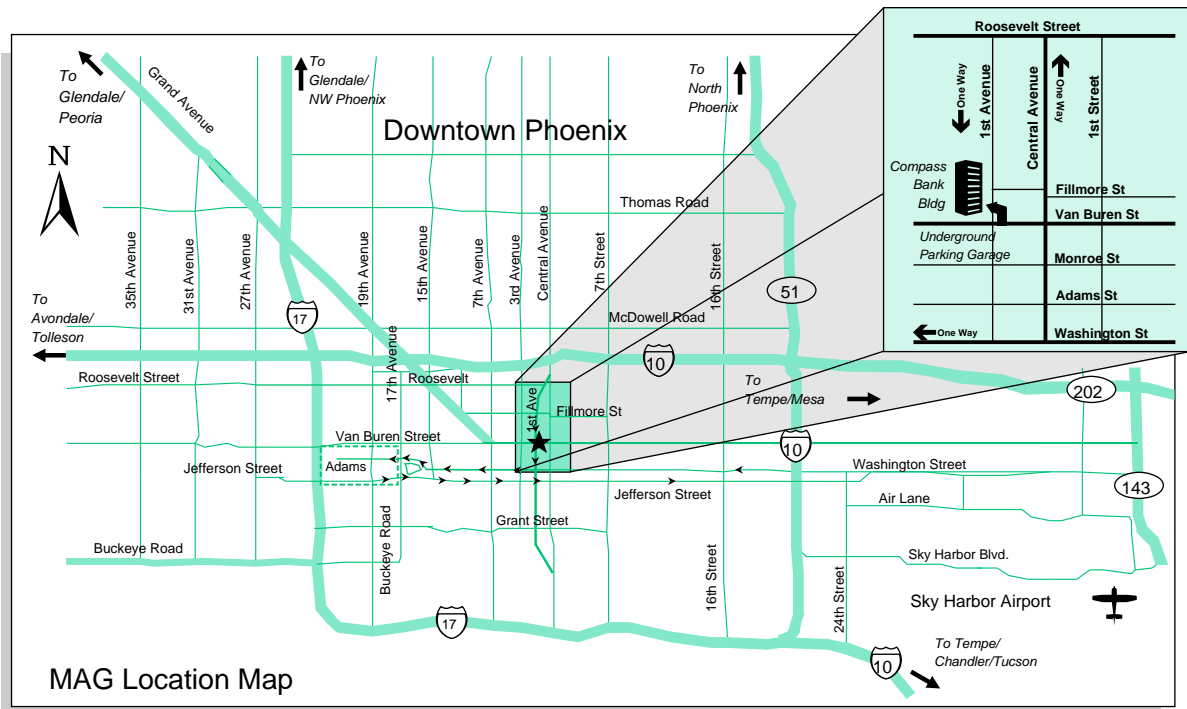
**Maricopa Association of Governments
302 North 1st Avenue, 2nd Floor, Saguaro Room
Phoenix, AZ 85003**

The Maricopa Association of Governments is in the midst of updating its Regional Aviation System Plan and is holding a public meeting to solicit input from the public. The Regional Aviation System Plan is a long-range strategic plan that will attempt to identify the airport improvements and policies necessary to meet the air transportation needs of the region to 2025.

To date a team of consultants has undertaken an inventory, forecasts, and conducted a preliminary demand/capacity analysis. We are now in the process of formulating some potential airport improvement alternatives for meeting future demand. These alternatives could include adding new runways at existing airports, building new airports, or using technology to enhance the capacity of existing airports.

It is important that we receive input from the public on these alternatives, how they are evaluated and any other issues related to airports in the region be taken into consideration. For additional information, please contact Harry Wolfe at (602) 254-6300 or e-mail him at hwolfe@mag.maricopa.gov

The Maricopa Association of Governments Office is located on the northwest corner of 1st Avenue and Van Buren in downtown Phoenix. Parking underneath the office building will be provided free of charge for public meeting participants. A map showing directions to the office is attached.



MAG Location Map

Maricopa Association of Governments
 302 North 1st Avenue, Suite 300
 Phoenix, Arizona 85003
 Phone (602) 254-6300, FAX (602) 254-6490

**Maricopa Association of Governments
Regional Aviation System Plan Update Status Report**

March 8, 2002

INTRODUCTION

Federal regulations call for the Maricopa Association of Governments (MAG) to conduct regional aviation system planning in the metropolitan area with the objective of meeting the long term air transportation needs of the public in a safe and efficient manner. The Plan is a long-range strategic plan that focuses upon the major airport improvements and aviation policies that are needed to meet future demand. It is used as a blue-print to guide investment decisions and policy actions for the development of the airport system.

MAG is the regional planning agency for the Phoenix metropolitan area and represents 24 cities and towns, two Indian Communities and Maricopa County. MAG has been conducting regional aviation system planning for 25 years, having adopted plans in 1979, 1986 and 1993. The Agency is now in the midst of updating the Regional Aviation System Plan (RASP). To date, an airport inventory has been conducted, forecasts prepared, a demand capacity analysis drafted, and potential alternatives for meeting future demand outlined. These elements are summarized in the following sections.

The MAG RASP Update 2000 is being undertaken by the consulting firm of Wilbur Smith & Associates, managed by MAG staff, and guided by an aviation policy committee made up of elected officials of our MAG member agencies. An important component of the planning effort is soliciting input from the public, aviation interest groups and other interested parties. We are particularly interested in obtaining input during the early phases of the planning process on the airport development alternatives that we should be investigating and the criteria we should use to evaluate those alternatives.

INVENTORY

An inventory of 16 airports in the region was prepared in order to document the existing facilities available and their traffic handling capabilities. Careful attention is also being focused on Luke Air Force Base to ensure that the development of the civilian airport system does not impair Luke's mission. In addition, a survey of general characteristics of Maricopa County was prepared to facilitate an understanding of the environment in which the airports operate. Although there are 46 airports in the region, including private use facilities, the system plan focuses on the 16 with the highest traffic levels and the greatest importance to the public. These airports are listed below.

- | | |
|-----------------------|----------------------------|
| • Buckeye Municipal | • Phoenix Sky Harbor |
| • Carefree | • Pleasant Valley |
| • Chandler | • Memorial Airfield |
| • Estrella Sailport | • Mesa Falcon Field |
| • Gila Bend | • Scottsdale |
| • Glendale Municipal | • Stellar Airpark |
| • Phoenix Deer Valley | • Wickenburg |
| • Phoenix-Goodyear | • Williams Gateway Airport |

FORECASTS

The MAG RASP Update has developed a set of forecasts of air passenger boardings, general aviation based aircraft, aircraft operations and air cargo to the year 2025. For the region overall the 2000 and 2025 activity levels are noted below:

Table 1
Base Year and Forecasts of Aviation Activity
in the MAG Region

| Measure of Demand | Activity in 2000 | Activity in 2025 |
|----------------------------|-------------------------|-------------------------|
| Air Passenger Boardings | | |
| Take-offs and Landings | 17.6 million | 31.6 to 39.6 |
| Based aircraft | 2.4 million | 4.4 million |
| Tons of Air Cargo Enplaned | 4,300 | 7,600 |
| | 374,000 | 1.4 - 2.4 million |

Source: Maricopa Association of Governments, 2001.

DEMAND/CAPACITY ANALYSIS

To identify the need for potential improvements in the MAG Region, the MAG RASP Update has compared the forecasted traffic level at each airport with its yearly aircraft traffic handling capability, known as Annual Service Volume (ASV). Table 2 below, compares the forecasted traffic with the Annual Service Volume. Where the traffic exceeds the Annual Service Volume, it is usually recommended that a capacity expansion project be considered at the airport where feasible. Some airport sponsors may not choose to expand their facility because they are physically and or fiscally constrained.

| Airport | Annual Service Volume | 2025 Airport Forecast |
|---------------------|------------------------------|------------------------------|
| Buckeye | 315,560 | 215,220 |
| Chandler | 460,000 | 514,500 |
| Estrella Sailport | 120,000 | 16,500 |
| Gila Bend | 212,797 | 57,800 |
| Glendale | 257,972 | 197,000 |
| Memorial | 100,000 | 5,500 |
| Mesa Falcon Field | 443,000 | 472,100 |
| Phoenix-Deer Valley | 606,000 | 640,600 |
| Phoenix-Goodyear | 304,916 | 334,200 |
| Phoenix Sky Harbor | 660,000 | 673,000 - 841,000 |
| Pleasant Valley | 120,000 | 134,300 |
| Scottsdale | 200,000 | 262,600 |
| Sky Ranch Carefree | 174,000 | 13,000 |
| Stellar | 286,700 | 78,400 |
| Wickenburg | 245,000 | 38,100 |
| Williams Gateway | 410,000 | 420,300 |

ALTERNATIVES

MAG is currently in the process of identifying a set of airport development alternatives for meeting future demand. Wilbur Smith and Associates have drafted four prototype alternatives and identified the some criteria used to evaluate them. MAG is seeking input from the public on the definition and evaluation of these alternatives. The potential alternatives and evaluation criteria are noted below.

1. Do-Nothing - Status quo alternative
 - Assumes that projects programmed in ADOT's most recent CIP are implemented.
 - Provides a base case for comparison to other alternative scenarios.
 - Assumes existing regulations, ordinances, technology, and facilities remain in place
 - Assumes implementation of Northwest 2000
2. Improved Technology
 - Most significant deficiency is operational capacity at many airports.
 - FAA's capacity benchmark analysis indicates a potential increase in operational capacity due to the implementation of technological and procedural improvements anticipated over the next 10 years
 - Improvements to technology will be evaluated as they relate to each airport
 - Most relevant to commercial service airports in system
3. Maximized Development of Existing System
 - Evaluate which airports can accommodate additional runways to improve the region's operational capacity, a key deficiency of the existing system, including Phoenix-Sky Harbor's fourth runway
 - Recognize some existing constraints and analyze the feasibility of improvements (Scottsdale & Mesa)
 - Assume all projects identified in ADOT's most recent CIP are implemented.
 - Assume all airports will meet standards and will develop needed facilities to accommodate projected demand through 2025
 - Determine policies in place that restrict airport development in the region
4. New Airport Development (general aviation and/or commercial service)
 - Assumes no new runways at existing airports
 - Will review previous study results for proposed new airports in Northwest, Southeast, and Northeast portions of the region
 - Reassign portion of demand from other airports to new airport(s) to determine facility needs of existing airports

The alternatives will be evaluated potentially based on the following factors:

- Environmental consequences (especially noise and air quality impacts, as determined on system planning level of detail)
- Cost of alternative
- Delay impacts (improvement and costs of delay)
- User convenience
- Access improvement needs
- Airspace compatibility (special attention will be focused upon the airspace impacts of projects on Luke Air Force Base to ensure that it can carry out its mission).
- Ease of implementation
- Title VI impacts (as available from existing documentation)